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Thailand

Grain and Feed

Weekly Rice Price Update

2008

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Report Highlights:

Domestic and export prices continued dropped by 5 percent as the Government announced an intervention stocks tender of around 3.0 million tons covering 2004/05 – 2006/07 main and second crops, including 2007/08 second crop. It is expected that only a few exporters will participate in the program as the tender requires delivery from the government warehouses within 180 days, as compared to 270 days in past tenders. The average bidding prices are expected to be lower than \$500/MT, far below the government benchmark price the rice was purchased at of \$640-\$650/MT, FOB.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Nov. 3):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	710	-	-	-	700	710	-	707	753
WR 100 B	525	-	580	580	580	550	550	561	583
PB 5%	-	-	560	-	560	540	500	540	560
WR 5%	495	-	560	560	560	510	530	536	558
WR 10%	-	-	-	-	-	503	-	503	533
WR 15%	-	-	-	-	-	480	-	480	510
WR 25%	-	-	-	-	-	425	-	425	450
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	290	-	-	-	300	305	300	299	314
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 34.7 baht/U.S.\$									

Market Tone

Domestic and export prices continued dropped by 5-10 percent as the Government announced an intervention stocks tender of 3.0 million tons, of which 2.3 million tons are 5-25% grade white rice from 2004/05 – 2006/07 main and second crops, including 2007/08 second crop, for exports, and 0.7 million tons of 2004/05 – 2006/07 fragrant rice for domestic or export sales. The tender will be on November 5, 2008. The amount of the stock release is higher than expected, which was initially rumored to be around 300,000 - 500,000 tons/month until the Government liquidated intervention stocks for the upcoming MY2008/09 intervention program. It is expected that only a few exporters will participate in the program as the tender requires delivery of rice from the government warehouses within 180 days, as compared to 270 days in past tenders. All white rice will have to be exported within 45 days after the delivery. Also, bidding offers will not be published to the public. The Government will negotiate exclusively with those who participate in the tender. In addition, exporters are concerned they will not have enough time to inspect the rice stockpiled in various warehouses due to the short timeframe given for the tender.

Table: Intervention Stock Tender for Exports

Crop	White Rice								Grand Total
	5%		10%		15%		25%		
	Main Crop	Second Crop	Main Crop	Second Crop	Main Crop	Second Crop	Main Crop	Second Crop	
2004/05	10	-	-	-	683	-	1,099	54,726	56,518
2005/06	67,958	380,144	6,647	-	53	-	91,894	234,459	781,155
2006/07	186,368	433,269	4,917	-	-	-	2,987	1,991	629,532
2007/08	-	800,712	-	3,328	-	2,883	-	522	807,444
Total	254,336	1,614,125	11,564	3,328	736	2,883	95,980	291,697	2,274,649

Source: Public Warehouse Organization, Ministry of Commerce

Table: Intervention Stock Tender for Domestic or Exports

Crop	Pathumthani Rice		Fragrant Rice	Grand Total
	Main Crop	Second Crop	Main Crop	
2004/05	-	659	26,230	26,889
2005/06	511	-	380,639	381,151
2006/07	4,136	27,357	75,993	107,487
2007/08	-	190,583	-	190,583
Total	4,648	218,599	482,863	706,109

Source: Public Warehouse Organization, Ministry of Commerce

The average bidding prices of white rice are expected to be lower than \$500/MT, far below the government benchmark price the rice was purchased at of \$640-\$650/MT, FOB. Vietnamese rice is currently offered even lower than \$400/MT, FOB, for 5 percent grade white rice. Also, bidding amounts will likely be far below total the tender level of 3.0 million tons, as foreign demand is reportedly limited, particularly for white rice, due to heavy rice imports from Vietnam and India in recent months. However, if the Government relaxes the conditions of white rice to allow for domestic sales, the tender will become more attractive as domestic rice prices remain high.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
Sep 7	131,622	141,772	5,995	3,573	67.7
Sep 14	129,898	142,930	6,124	3,717	65.0
Sep 21	125,818	135,472	6,250	3,866	61.7
Sep 28	133,622	130,240	6,384	4,060	57.3
Oct 5	88,544	119,470	6,472	4,238	52.7
Oct 12	96,178	111,040	6,569	4,411	48.9
Oct 19	132,978	112,830	6,702	4,604	45.6
Oct 26	71,415	97,279	6,773	4,807	41.0
Nov 2	54,637	355,207	6,828	5,005	36.4

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Oct. 27 – Nov. 2, 2008 totaled 54,637 down 16,778 the previous week, and down 34,165 from the four-week moving average of 88,802 tons. Exports during Jan. 1 – Nov. 2, 2008 totaled 6,827,605 tons, as compared with 5,005,260 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Oct. 24, 2008, amounted to 8,911,899 tons, up 21.33 percent from 7,010,461 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Oct. 13-17, Oct. 20-24 and Oct. 27-31, 2008 are as follows:

Movement (MT)	Oct. 13-17	Oct. 20-24	Oct. 27-31
Weekly sales	53,195	33,350	67,640
4 week sum	364,487	285,406	260,387
4 week mov. avg.	91,122	71,352	65,097
Total weekly sales	6,052,257	6,085,607	6,153,247

End of Report.